



April 25, 2014

Dear Chairman Schmidt and Members of the Committee,

The recent road funding plan introduced by House Speaker Jase Bolger on April 3, 2014 is a positive step forward, however it will bypass a significant portion of the Public Act 51 (1951) transportation funding formula. Part of the bypassed portion of the formula is the Comprehensive Transportation Fund (CTF), which funds public transportation in Michigan.

If we are going to start to tackle the shortfalls of Michigan's transportation funding, we need to do so through the full Act 51 formula so that our state's full transportation system can benefit from the new revenues that are generated. Regardless of how much new revenue is raised from a new transportation funding proposal, the function of the Act 51 formula is to distribute state transportation revenues through the state's full transportation system, not just one part of it.

If the Speaker's transportation funding plan goes through the full Act 51 formula, up to \$38 million per year could go to the CTF. This is an annual 24% increase in CTF. However, pending legislation included in the plan directs \$369 million in new transportation revenue solely to roads, through the bottom half of the Act 51 formula. This removes \$31 million from its rightful place in the CTF.

We urge you to amend the Speaker's plan to use the full Act 51 Formula, including HB 5459 and upcoming legislation that dedicates 1% of Use Tax revenue specifically to roads.

Sincerely,

John Drury, Administrator
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